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April 18, 2014

Ms. Julie K. Martino, Esq.
Office of Disciplinary Counsel
P.O. Box 12159
Columbia, South Carolina 29211

RE: David C. Dameron
Matter Number: 13-DE-L-1569

Dear Ms. Martino:

Thank you for your letter of February 26, 2014, and the extensions you kindly afforded me to respond thereto.

Some background regarding Mr. Dameron may be appropriate to assist in the understanding of these matters.

PERSONAL BACKGROUND REGARDING DAVID DAMERON

I practice law in Easley, South Carolina and manage a general practice law firm. I patterned my practice specifically in this fashion after working as a paralegal for Paul J. Foster, Esq. in the mid-90s. Mr. Foster had many clients who came to him for all their legal needs. He was their "family lawyer" and had relationships with his clients that allowed him to form personal connections with his clients and truly *help* his clients as a caring professional. I admired that business model of old and remembered the way the professionals in my hometown of Anderson were when I was growing up.

My dad was an accountant. My mom was a medical secretary. When I needed to be seen by a doctor, her boss picked up the phone and found us someone. David Dameron's father, Dr. Robert Dameron, was the orthopaedist in Anderson. He treated me for congenital knee ailments as a child and is still my mother's friend and favorite blue grass musician.

Doc Dameron's neighbor, John Greene, is a well-respected and semi-retired certified public accountant (he formerly chaired the SC State Board of Accountants). Susan Greene Lockwood is John Greene's daughter. She and David Dameron grew up on the same street, went to the same high school (Hanna High School) and graduated in the same class (the Class of 1982). Though a bit younger, I went to Wren High School and also finished in the class of 1982. David, Susan and I all have mutual friends in Anderson who are all about 50 (give or take a few years). Our parents are approximately the same age and also have mutual acquaintances. My mother and David's father (Doc Dameron) attend the same blue grass

music events in Anderson every week. Furthermore, I clerked for The Honorable G. Ross Anderson, Jr. from 2002-2003 and he is friends with Doc Dameron and Doc's oldest friend is Judge Anderson's former law partner, William N. Epps, Jr. (aka "Billy Epps").

I provide this information to explain why, like Billy Epps, I too often gave David Dameron the benefit of the doubt on a number of things I shouldn't have during my representation of him. This was born out of my knowledge that David Dameron came from a "good family" and was respected by "good people." (See *Epps v. Dameron* suit attached as **Exhibit A**). In sum, David is a gregarious person, has a quick wit, and has a logical answer for everything. He is the quintessential salesman.

PROFESSIONAL BACKGROUND REGARDING DAVID DAMERON

As noted by Mr. Dameron, David Dameron's former business partner (Susan Greene Lockwood) and I are best friends. Susan Greene Lockwood and David Dameron became business partners in 2008 – David was the Broker/Dealer and Susan was stock broker and registered investment advisor under him. In August of 2009, David Dameron and his then-wife (Beth Dameron) had an altercation in Charleston at his father's beach house on Wild Dunes. David asserted he was not aggressive towards her and that she was drunk. She asserted he was drunk and abusive. She thereafter filed for divorce asserting domestic violence and various other claims. At that time, the parties had two minor children – both boys.

At Susan Greene Lockwood's recommendation, David Dameron hired me to defend him in that divorce and custody case and he ultimately got primary custody of both his sons – quite a feat considering the serious allegations in the case and the fact that his ex-wife had been the stay at home mom and primary caretaker of the minor children for several years immediately prior to the separation. He also ended up paying no alimony to his former wife and the divorce was ultimately granted on no fault grounds. (**See attached Exhibits B & C**)

My most recent representation of Mr. Dameron in an emergency domestic relations action for his youngest son Evan, which began in 2012, Mr. Dameron ultimately got sole custody of his youngest son with very limited visitation between his son and his ex-wife because of the alcohol issues that our firm was able to prove against Mrs. Dameron as well as parental alienation syndrome tendencies by the mother which had a deleterious effect on the child and his relationship with the mother. (**See attached Exhibit D**). Mr. Dameron and his family members have repeatedly thanked me for my solid advocacy on David's and his children's behalf.

In the midst of the divorce action, beginning in or about October 2010, Mr. Dameron began traveling to Little Rock, AR for work surrounding the factored income stream transactions

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that Mr. Gamber mentions in his attached email (**Exhibit E)**. These are the transactions that seem to be at the center of the complaint lodged by David Dameron and his new wife, Bobbie Green Dameron (who is no relation to Ms. Lockwood).

In April of 2010, David Dameron and his partner, Susan Greene Lockwood, asked me to represent the business (EPS Advisors, LLC) in litigation it wanted to pursue against Charles Schwab and a former representative, Jan Fredman, for commissions and clients Fredman and Schwab inappropriately misdirected from their company. (See enclosed suits, attached as **Exhibits F & G**.)

Around the time I began my representation of David Dameron in the divorce, he was a chief compliance officer for an investment firm in Florida and he earned approximately $7,000.00 a month from that engagement in addition to the income generated by EPS Advisors, LLC. However, the firm went under in the Fall of 2009 because the required minimum capital of the company dipped below the mandated amounts set by FINRA. Thereafter, in December 2009, David incorporated a new business called Buttonwood Holdings, LLC.

He continued to limp along financially and I agreed to continue my representation of him in the divorce and custody action despite the mounting bills. Unfortunately, this set a precedent of him amassing legal fees and not paying until the end of the representation and then he would "negotiate a discount" if he paid in a lump sum. He did this with me and with our guardian ad litem (Chace Campbell, Esq.).

In the Fall of 2010, David began negotiating with Voyager Financial Group to conduct financial transactions with them. I negotiated David's nondisclosure agreement with the Company's President, Drew Gamber. (**Exhibit E)**.

Though apparently David started out as an independent contractor with Voyager, sometime in late 2012, I learned that he was actually an employee of another of Gamber's companies (Arkose Capital, LLC). In hindsight, I should have figured this out as in the Summer of 2011 as he finally began having some financial stability, he began frequently travelling to Arkansas and then in June 2012, he told me to use Arkose Capital's email as his default from that point forward. (See attached email, **Exhibit H**). Despite these signs, I continued to believe David Dameron's representations that he was operating through another of his companies, Buttonwood Insurance Services, LLC (BWIS) and that his work on these breached transactions was because BWIS assisted in the original transactions. (See attached email, **Exhibit I**).

I also learned in the Summer of 2012, while we were engaged in the Emergency Action regarding his son Evan, that he and the woman I believed was his employee in Arkansas

(Bobbie G. Green) were dating. As an employment lawyer, I strongly counseled him against such a relationship with a subordinate employee. I had met Ms. Green when I traveled to Arkansas months before. She was a massage therapist and personal assistant to Mr. Gamber. I was having back pain after the long trip out there and Mr. Gamber instructed her to give me a massage. During the approximately hour long massage, she told me she had not graduated from high school, had a troubled home life as a child, ran away from home when she was 16, she then joined a traveling circus/carnival and later gave birth to a child that she gave up for adoption and had just started to reconnect with. Ms. Green seemed like a very smart, but very manipulative, young woman with an admittedly difficult past. I was very concerned that if David's relationship went bad with Ms. Green that she would be vindictive and bring suit against him and/or his companies. I also knew that David was dating at least two other women here in the Upstate while seeing Ms. Green, and that caused additional concerns about the likelihood of failure of the relationship. Having learned during my representation of David in his divorce that he was a diagnosed narcissist that was not successfully treated for such, I had concerns about his view of being able to avoid such dangers. However, after I expressed my concerns, like any good narcissist, David brushed them away and told me not to worry and that he had Ms. Green, as well as the "situation," "under control." As with all my clients, I gave my best advice and then left the personal decisions to him.

I initially traveled out to Arkansas to become better acquainted with this product because David Dameron said he was putting together what he called a Yield7 hedge fund (Y7)[1] and these products were going to comprise 33-50% of the fund's assets. David Dameron's concept was to create a hedge fund that would be registered security and governed by the SEC rules. The factored income streams at issue are private transactions between a buyer and seller that are <u>not</u> securities, do <u>not</u> meet all four factors of the <u>Howey</u> test[2], and are not required to be registered or handled as a security on the state or federal level. However, it wasn't until late Summer of 2012 when David put certain items relating to the Fund in a DropBox folder that he gave me access to that I realized the Fund was not *his*, but rather a joint venture of Arkose Capital, LLC and Buttonwood Investment Partners, LLC. I found significant legal documents he had signed in September 2011 that I had never reviewed or had input into. (See operating agreements attached hereto as **Exhibit J**). I thought this odd, but I knew the folks he was dealing with had Juris Doctorate degrees and as I was actively representing David at the time these were negotiated, I knew David could have asked me to review them, if he so chose to. So, either a) I was not his only counsel (which was not a problem) or b) he felt competent enough to negotiate these contracts himself.

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[1] The SEC nixed the Yield7 name or Y7 because it appeared to promise a certain rate of return.

[2] *Securities and Exchange Commission v. W. J. Howey Co.*, 328 U.S. 293 (1946)

David began telling folks that he would be taking subscriptions for the Fund and that it was ready to "go live" in May of 2012 (**Exhibit K**). However, for reasons unknown to me, it never materialized. I, and others, continued to operate under the belief that the Fund was going live "any day." Mr. Dameron stated that he wanted me to perform services for the Fund in connection with the factored income streams it wished to purchase – that was the reason given to me for assisting VFG's in-house counsel to try to improve their internal forms and contracts (See emails about work on the forms, attached as **Exhibit L**). Importantly, these were VFG's forms, not mine. They bore the VFG logo and were used by VFG. David had convinced VFG to place a South Carolina choice of law and a Greenville County venue in the contracts specifically so that I could litigate cases for buyers whose sellers chose to violate the contracts. Believing that "David's fund" would own most of the cases, this made sense, but it also meant that I would likely be litigating cases for other buyers other than "David's fund" because he was not their only purchaser. David knew this, negotiated this with VFG and had no problem with me doing this for other buyers. In fact, he encouraged it. Since there was no conflict of interest between those buyers and David, there was no reason for me not to agree to assist, if needed.

As time wore on and the Fund didn't materialize, in or about June 2012, David Dameron asked me to try to assist Buyers who had contracts that were in breach. When he initially approached me about such, I asked him who would be my client because I felt representing VFG would create a conflict as they set up the transactions between the buyers and sellers and I perceived them to act as the seller's advocate. David clearly said that BWIS would be the client and that in the cases I would assist with that BWIS had "assisted the Buyer in an agency capacity." (See 6/4/2012 email from Dameron, attached as **Exhibit M**). Instead, David began specifically having Buyers engage BWIS solely regarding the breached case. David also told me that Ms. Green ceased working for Mr. Gamber and that she had no income. He explained she was a single mother and asked if I could use her as a contract paralegal on these cases. (I did not discover this was untrue until I received Mr. Gamber's email of 4/17/2014 stating she worked for Arkose Capital, LLC until March 2013). I was also unaware until later in the summer of 2012 that Dameron and Green were intimately involved.

Around this same time, in June/July 2012, David and his partner, Susan Greene Lockwood, dissolved their business, EPS Advisors, LLC. (See **Exhibit N**). After they dissolved their business, Ms. Lockwood's income was diminished. I needed help at my office, Ms. Lockwood and I had been friends for over 4 years, she holds a Master's Degree, and she is highly competent. So, I hired her part-time in October 2012. David didn't like this and tried to get me to fire Susan when he found out because he stated he didn't want her "knowing his business." I told him that she and I had already discussed that she would not work on his matters; however, I will not allow any client tell me who to hire or fire in my own office.

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David threatened to remove all his business from me as leverage to fire her. I told him he could do so at any time under our fee agreement, but that he would not tell me how to run my office or who I would employ. Looking back, it appears this is where our business and personal relationship began to sour. Around this same time, David began to be more and more hostile to and withdrawn from his longtime friends and his own family and Ms. Green began to assert more visibility in Mr. Dameron's business affairs.

In November 2012, I learned that FINRA placed Mr. Dameron under an examination (**Exhibit O**) and, ultimately, on March 6, 2013, he was suspended from handling securities. (**Exhibit P**). Likewise, the South Carolina Attorney General also had initiated proceedings against him.

I was surprised when Mr. Dameron asked me to perform his wedding ceremony to Ms. Green on New Year's Eve of 2012, but I obliged. Of note was that neither his parents nor his sister were invited to the ceremony, despite the fact it was held at his father's Wild Dunes resort home and with the resort amenities.

On February 9, 2013, my mother was hospitalized following a heart attack and serious complications therefrom, including kidney failure. She was hospitalized over a month and then had to reside in rehab for another month. I am my mother's only child and was forced to manage all of her medical care while continuing to manage my caseload, my business and my own family life. We are a small law firm of two partners, and this was quite taxing on me.

On February 19, 2013, the Damerons created a company called "Buttonwood Advocates, LLC" (**Exhibit Q**). When I learned of this, I cautioned David that the name appeared misleading, as if it were offering legal services. I also cautioned him about the services they could and could not offer and that negotiating legal settlements, drafting legal releases, contracts to cure breaches, and the like for fees could be considered the provision of legal services and the unauthorized practice of law. I advised him that the unauthorized practice of law was a felony in South Carolina. David advised me that he knew what they could and could not do and that they would not be providing legal services.

About this same time, in late February, Bobbie Green Dameron and I were regularly having severe personality clashes (similar to the ones she and Mr. Gamber also had) where she would talk abusively to me (orally and in writing) and yell at me and my staff. She would repeatedly belabor every point and have to "win" at all costs. Several times, David Dameron had to intervene. One particular day, she texted me while I was at the hospital while my mom was in CCU. I asked her if I could call her later. She texted that she had just a quick question and said it would only take a minute. I took the call and she began yelling at me, loud enough my mother could hear through the phone. My mom became very agitated and I finally just had to end the call with her while she was still yelling. I heard her talking to Mr.

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Dameron before they realized the call had connected so I knew he heard the manner in which she treated me. I later called David and told him I would not deal with his wife any longer.

Then, on March 5, 2013, Anderson attorney William ("Billy") N. Epps, Jr. filed a civil suit against David Dameron alleging he misappropriated nearly $60,000.00 of his investment funds. (**Exhibit R**). I told David I would contact Mr. Glenn (Billy's attorney) and get him an extension, but that I would not represent him against Mr. Epps. I did get him an extension and drafted documents for Mr. Dameron to file if he could not immediately retain other counsel. (**Exhibit S**).

I then found out David purportedly "sold" the business to his new wife and that's why she felt the right to treat me the way she did. I also found out from Mr. Gamber that David Dameron told him and my other clients (the ones he had initially asked me to help and represent them that I told Dameron) that I "did not have the bandwidth to absorb all the impaired cases" that needed to be litigated. That was an outright lie and was an effort to interfere with my representation of those parties.

So, on or about March 19th, I confronted David about that statement (which he denied) and about Bobbie's actions where she kept putting me and David at odds. (This is the 3/18/13 email Complainants attached to their complaint as going to complaint #4, which prompted me to clarify that ULG in fact did have the "bandwidth" to litigate all the breached contract cases). We agreed that if I were to continue to work with him that Bobbie would stop her abusive behavior and be a professional. That lasted all of two weeks.

Beginning on April 6, 2013, and continuing through the date I terminated my representation on April 9, 2013, Bobbie Green Dameron repeatedly engaged in abusive behavior and copied numerous other parties on those interactions. Between the very serious and credible allegations in Mr. Epps' complaint, my growing concerns over Mr. Dameron's honesty and integrity, and the repeated problem interactions with Bobbie Green Dameron, I decided to end my representation of the Damerons. (**Exhibit T**). Even as late as this past month, Ms. Dameron has continued to send me abusive correspondence via text (**Exhibit U**).

Mr. Dameron then went on a campaign to smear my credibility with the Federal Court when I would not dismiss the pending actions for EPS Advisors, which he had agreed to solely pay for the cost of prosecuting in his dissolution agreement with his partner. (**Exhibit V**). Dismissing the actions with prejudice would be to the detriment of his partner and the business' creditors, who were to be pay out of the proceeds from the litigation. I explained that I would be happy to perform the actions he requested if Ms. Lockwood consented, otherwise, I was in a conflict and would have to ask the Court to be relieved. (**Exhibit W**)

The Court ultimately agreed with me and dismissed the action *without* prejudice and allowed either partner to pursue the claims individually that were encompassed by the suit. (**Exhibit X**).

Then, beginning in October 2013, Mr. Dameron attempted to get the monies we were holding in trust relating to the real estate transaction. I was made aware by Mr. Gamber in September that Mr. Dameron was preparing to file for bankruptcy. I was aware these funds were in dispute with Mr. Wilsey and Mr. Dameron also owed our firm significant sums of money for his representation in the *Wilsey* matter, in the Emergency custody action for Evan, and in the small amount of work performed to protect Mr. Dameron's rights in the *Epps* matter. Further, Mr. Dameron's story about the funds kept changing. First, they were his funds, then his father's funds. Ultimately, Mr. Dameron filed a fee dispute on this matter and that dispute was dismissed. (**Exhibit Y**). On November 7, 2013, Mr. Dameron did file the bankruptcy action he had been planning to file for several months. (**Exhibit Z**). The trustee of his bankruptcy estate rightly asserted the funds were assets of the bankruptcy estate and they would have been subject the preferred transfer exceptions had I returned them to Mr. Dameron anyway. (**Exhibit AA**). The bankruptcy trustee also decided that the litigation for EPS Advisors should continue for the benefit of the bankruptcy creditors.

ABRUPT TERMINATION, FAILURE TO WITHDRAW AS COUNSEL, ACTONS TO PROTECT INTERESTS, AND ACTIONS AS BUSINESS' ATTORNEY

I believe the above and the exhibits fully set forth that at all times I have diligently represented Mr. Dameron and that when I tried to withdraw as counsel, Mr. Dameron opposed that. In every case, I tried to protect the interests of my client until and maintain the status quo until the Court ruled on those withdrawals or a substitution of counsel was actually made. (**Exhibit AB**). In the case of *EPS Advisors v. Schwab*, my client was the *company*, not Mr. Dameron individually. I took action to ensure the *company's* interests were not injured despite Mr. Dameron's irrational requests.

In my 6/19 email to Mr. Dameron, I explained that "When I represent an organization such as EPS Advisors, LLC, my duties run to that *organization*, not just to its 'managing member.' If a lawyer for an organization knows that an officer, employee or other person associated with the organization is engaged in action that is a violation of a legal obligation to the organization or that is likely to result in substantial injury to the organization, then the lawyer shall proceed as is reasonably necessary in the best interest of the organization.

EPS Advisors, LLC is a partnership, organized as an LLC. There is no Operating Agreement in place. Whether or not you are the majority partner of this LLC, you still have fiduciary duties to your partner. You also have contractual duties to her via the dissolution agreement that you negotiated and under South Carolina law you have an inherent duty of good faith and fair

dealing pursuant to that dissolution contract. For these reasons, and my ethical obligation as cited above, I will not take the action you have requested and I am ethically bound to act in that way." (**Exhibit AC**).

In the *Epps* matter, I prepared a Motion to Dismiss and a Motion to Extend time that Mr. Dameron could file to protect his rights should he not be able to find counsel to defend him. (**Exhibit AD**). I also obtained extensions for him to find counsel.

STATEMENTS TO CHRIS TOWERY RE: MONIES OWED AND BILLING

I am unsure what Mr. Dameron's concerns about the statements to Mr. Towery are. I was asked about Mr. Dameron's payment history and I responded truthfully that he had outstanding invoices, which I would take up with him separately. Mr. Towery was being substituted into the *Wilsey* case and those outstanding matters would not affect the substitution other than I requested that Mr. Towery protect my outstanding costs for depositions since those would be used for Mr. Dameron's benefit in the litigation and they remained unpaid despite his fee agreement to pay costs as well as other legal fees (**Exhibit AE**). In the end, Mr. Towery ended up amassing $8,289.65 in unpaid fees to them (**Exhibit AF**).

ALLEGATIONS THAT I "TOOK BUSINESS" AWAY FROM THE DAMERONS

As discussed *supra*, I was led to believe from Mr. Dameron that my engagement to represent buyers of breached cases were because BWIS was involved in the original sale as an agent for the buyer. I had been performing these legal services since the Summer of 2012 and Ms. Green was used as *my* contract paralegal through her own company BGG, LLC.

Buttonwood Advocates was not formed until February 19, 2013 and though the Damerons apparently formed it to try to illegally perform legal services for a fee, they had no right to do so. Furthermore, Mr. Dameron had no right to do so, regardless of his desires. In fact, Mr. Gamber asserts that his representatives actually made a report to the Bar that Buttonwood Advocates, LLC were engaged in the unauthorized practice of law, despite my warnings. I also know thereafter that Bobbie Green Dameron made representations several months after our disengagement that I was still working with them – a representation I clearly corrected. (**Exhibit AG**). With the information I have received from Mr. Gamber, I believe the Damerons have illegally taken a portion of fees that were paid as legal fees to attorneys in other jurisdictions and have led some buyers and/or their agents to believe that Bobbie Green Dameron is an attorney.

Obviously, non-lawyers have no legal right to practice law, therefore, I could not have taken business that was the practice of law wrongfully away from the Damerons as neither of them are attorneys. Regardless of that fact, Mr. Dameron spoke highly of my services to other

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distributors of VFG's product and encouraged me to assist those parties, which I did. Those parties were *my* clients prior to February 2013 and remained *my* clients thereafter. Accordingly, I did not take business wrongfully away from the Damerons.

CONFLICT OF INTEREST IN REPRESENTING BUYERS AND THEIR AGENTS

The Damerons further make a spurious allegation that by representing buyers and their agents in reviewing their potential financial contracts that somehow it constitutes a conflict of interest if I have to thereafter sue to enforce those contracts.

The whole purpose of reviewing them is to ensure that there are adequate legal grounds for enforcement later. When assisting buyers with these factored income stream transactions, we at all times represent the Buyer and his/her agents, just like we would in any other negotiation. Then, if the contract is breached, we engage in pre-litigation dispute resolution and, ultimately, sue if those efforts fail. Mr. Dameron knows this as I have represented him in negotiations and then represented him in the suit if there is litigation thereafter.

There is no conflict in this situation because at all times we represent the same party throughout the process.

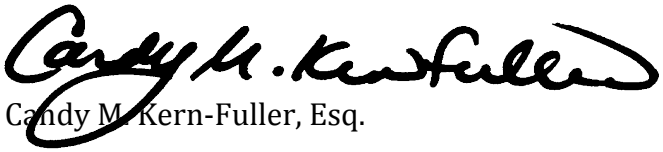
UNDERPERFORMED IN MY REPRESENTATION

At all times, I diligently represented Mr. Dameron and his business interests. Attorney regularly represent parties in pre-litigation disputes that later turn into litigation. Just because the pre-litigation negotiation measures were not successful does not mean that the representation was any less diligent. At all times, I have performed to the best of my abilities for Mr. Dameron. Given there are no specific instances he cites, I presume these are simply assumptions on his part regarding his disappointment that pre-litigation attempts to resolve claims were not successful.

I trust this fully responds to Mr. Dameron's allegations and will be happy to provide any additional information the Commission requires, if any, regarding this complaint.

With the Highest regards, I remain

Sincerely,



Candy M. Kern-Fuller, Esq.

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